

Amendments to Senate Bill No. 96  
3rd Reading Copy

Requested by Representative Lee Randall

For the House Taxation Committee

Prepared by Megan Moore  
April 11, 2013 (2:28pm)

1. Title, page 1, line 5.

**Following:** "TAXPAYER;"

**Insert:** "INCREASING THE CLASS EIGHT BUSINESS EQUIPMENT TAX  
EXEMPTION; PROVIDING THAT THE EXEMPTION APPLIES TO CLASS  
EIGHT PROPERTY THAT EXCEEDS THE EXEMPTION AMOUNT;"

2. Page 1, line 19 through page 3, line 30.

**Strike:** section 1 in its entirety

**Insert:** "Section 1. Section 15-1-123, MCA, is amended to read:

"15-1-123. **Reimbursement for class eight rate reduction and exemption -- distribution -- appropriations.** (1) For the tax rate reductions in ~~15-6-138~~ 15-6-138(3), the increased exemption amount in 15-6-138(4), and for the effective tax rate reductions on property under 15-6-145 because of the rate reductions required by the amendment amendments of 15-6-138 in section 2, Chapter 411, Laws of 2011, and [section 2 of Senate Bill No. 96], and the effective tax rate reductions on property under 15-6-145 because of the increased exemption amount required by the amendment of 15-6-138 in [section 2 of House Bill No. 96], the department shall, by June 1, 2012, and for each calendar year that the tax rate is adjusted under 15-6-138(4) for the fiscal years ending June 30, 2014, and June 30, 2015, estimate for each local government, as defined in 15-1-121(5), each school district, the county retirement fund under 20-9-501, the countywide school transportation reimbursement under 20-10-146, each tax increment financing district, and the 6-mill university levy for the purposes of 15-10-108, the difference between property tax collections under 15-6-138, as amended by section 2, Chapter 411, Laws of 2011, and [section 2 of Senate Bill No. 96] and under 15-6-145 and the property tax revenue that would have been collected under 15-6-138 and 15-6-145 if 15-6-138 had not been amended by section 2, Chapter 411, Laws of 2011, and [section 2 of Senate Bill No. 96]. The difference is the annual reimbursable amount for each local government, each school district, each tax increment financing district, and the 6-mill levy for the support of the Montana university system under 15-10-108.

(2) (a) The department shall distribute the ~~reimbursement~~ reimbursements calculated in subsection (1) to local governments with the entitlement share payments under 15-1-121(7) for ~~fiscal~~

~~year 2012 and for all other the fiscal years in which rate reductions occur year ending June 30, 2015.~~ Local government reimbursements for subsequent years are made pursuant to the entitlement share recomputation as provided in 15-1-121(6).

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each local government. ~~By August 1 following each of those fiscal years June 15, 2014,~~ the department shall distribute the amount determined under this subsection (2)(b) for local governments as provided in 15-1-121(6)(a).

(3) (a) The office of public instruction shall distribute the ~~reimbursement reimbursements calculated in subsection (1)~~ to school districts with the block grants pursuant to 20-9-630 for ~~fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2015.~~ School district reimbursements for subsequent fiscal years are made pursuant to 20-9-630.

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each school district. ~~By November 30, 2014 following each of those fiscal years,~~ the office of public instruction shall distribute the amount determined under this subsection (3)(b) in the same manner as the block grant is distributed by fund under 20-9-630.

(4) (a) ~~For each the fiscal year ending June 30, 2015 beginning after fiscal year 2012 and all other fiscal years in which rate reductions occur,~~ the amount determined under subsection (1) for each tax increment financing district must be added to the reimbursement amount for the tax increment financing district as provided in 15-1-121(8)(b) if the tax increment financing district is still in existence. If a tax increment financing district that is entitled to a reimbursement under this section is not listed under 15-1-121(8)(b), the reimbursement must be made to that tax increment financing district at the same time as other districts.

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each tax increment financing district. ~~By August 1 following each of those fiscal years June 15, 2014,~~ the department shall distribute the amount determined under this subsection (4)(b) to each tax increment financing district as provided in 15-1-121(8) and to any other tax increment financing district that is entitled to a reimbursement under this section.

(5) (a) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2015,~~ the amount determined under subsection (1) for the 6-mill university levy must be added to current collections and reimbursements for the support of the Montana university system as provided in 15-10-108.

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for the 6-mill university levy. ~~By August 1 following each of those fiscal years June 15, 2014,~~ the department of administration shall transfer the amount determined under this subsection (5)(b) from the general fund to the state special revenue fund for the support of the Montana university system as provided in 15-10-108.

(c) Beginning in fiscal year 2013, the department of administration shall transfer the amounts determined under this subsection (5) from the general fund to the state special revenue fund for the support of the Montana university system as provided in 15-10-108.

(6) (a) The office of public instruction shall distribute the ~~reimbursement~~ reimbursements calculated in subsection (1) to the countywide retirement fund under 20-9-501 for ~~fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2015.~~ One-half of the amount must be distributed in November and the remainder in May.

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property in the county. ~~By November 30, 2014 following each of those fiscal years,~~ the office of public instruction shall distribute the amount determined under this subsection (6)(b) to the countywide retirement fund.

(7) (a) The office of public instruction shall distribute the ~~reimbursement~~ reimbursements calculated in subsection (1) to the county transportation reimbursement under 20-10-146 for ~~fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2015.~~ The reimbursement must be made at the same time as countywide school transportation block grants are distributed under 20-9-632.

(b) ~~For fiscal year 2012 and all other the fiscal years in which rate reductions occur year ending June 30, 2014,~~ the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property in the county. ~~By November 30, 2014 following each of those fiscal years,~~ the office of public instruction shall distribute the

amount determined under this subsection (7)(b) to the county transportation reimbursement."

{Internal References to 15-1-123: Jaret checked

15-1-121	15-1-121	15-1-121	15-1-121
15-1-121	20-9-501	20-9-630	20-9-630
20-9-630	20-9-630	20-10-146 }	"

3. Page 5, line 17.

**Following:** "value"

**Insert:** "in excess of the exemption amount in subsection (4)"

4. Page 5, line 30 through page 6, line 1.

**Strike:** subsection (4) in its entirety

**Insert:** "(4) The first \$250,000 in market value of class eight property of a person or business entity is exempt from taxation."

5. Page 8.

**Following:** line 7

**Insert:** "COORDINATION SECTION. Section 6. Coordination

**instruction.** If both House Bill No. 472 and [this act] are passed and approved, then House Bill No. 472 is void."

**Renumber:** subsequent sections